

PUBLIC EMPLOYEES RETIREMENT SYSTEM

State Investment Board Balance Sheet As of 6/30/2007

	As of <u>6-30-07</u>	As of <u>6-30-06</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 792,761,811	\$ 667,811,360
INTERNATIONAL EQUITIES	313,679,267	237,378,450
DOMESTIC FIXED INCOME	523,514,215	461,105,477
INTERNATIONAL FIXED INCOME	83,837,842	82,755,374
REAL ESTATE	114,219,432	98,291,291
ALTERNATIVE INVESTMENTS	85,207,940	67,743,197
INVESTED CASH (NOTE 1)	<u>19,621,766</u>	<u>17,116,918</u>
 TOTAL INVESTMENTS	 1,932,842,273	 1,632,202,067
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	4,507,629	4,246,933
MISCELLANEOUS RECEIVABLE	<u>2,247</u>	<u>1,942</u>
 TOTAL RECEIVABLES	 4,509,876	 4,248,875
OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	160,208,231	145,456,649
OPERATING CASH	<u>51,851</u>	<u>32,663</u>
 TOTAL ASSETS	 <u><u>\$ 2,097,612,231</u></u>	 <u><u>\$ 1,781,940,254</u></u>
 LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	160,208,231	145,456,649
ACCOUNTS PAYABLE	10,047	8,327
ACCRUED EXPENSES	20,042	18,693
INVESTMENT EXPENSE PAYABLE	<u>3,139,743</u>	<u>1,547,360</u>
 TOTAL LIABILITIES	 163,378,063	 147,031,029
NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	1,634,909,225	1,475,701,634
RESTATEMENT AMOUNT	0	(7,592)
CASH IN DURING YEAR (NOTE 3)	0	0
CASH OUT DURING YEAR (NOTE 4)	20,410,000	17,250,000
NET INCREASE (DECREASE)	<u>319,734,943</u>	<u>176,465,183</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>1,934,234,168</u>	 <u>1,634,909,225</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u><u>\$ 2,097,612,231</u></u>	 <u><u>\$ 1,781,940,254</u></u>

PUBLIC EMPLOYEES RETIREMENT SYSTEM

State Investment Board Profit and Loss Statement For the Month Ended 6/30/2007

	Month Ended <u>6-30-07</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 4,863,889	\$ 45,773,100
SECURITIES LENDING INCOME	<u>823,928</u>	<u>8,237,008</u>
	5,687,817	54,010,108
 GAIN ON SALE OF INVESTMENTS	 20,683,066	 198,421,165
LOSS ON SALE OF INVESTMENTS	<u>11,993,149</u>	<u>85,311,341</u>
 NET GAINS (LOSSES) INVESTMENTS	 8,689,917	 113,109,824
 INVESTMENT EXPENSES	 1,969,163	 9,300,130
SECURITIES LENDING EXPENSES	743,017	7,907,265
 NET INVESTMENT INCOME	 11,665,554	 149,912,537
 NET APPREC (DEPREC) MARKET VALUE	 (11,718,138)	 171,921,613
MISCELLANEOUS INCOME/(EXPENSE)	<u>(417,400)</u>	<u>(1,927,578)</u>
 TOTAL INVESTMENT INCOME	 <u>(469,984)</u>	 <u>319,906,572</u>
 DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	28,081	171,629
 NET INCREASE (DECREASE)	 <u>\$ (498,065)</u>	 <u>\$ 319,734,943</u>

PUBLIC EMPLOYEES RETIREMENT SYSTEM
Notes To Financial Statements
June 30, 2007

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Cash invested in a money market demand account at the Bank of North Dakota.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust during the current fiscal year.

NOTE 4 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust during the current fiscal year.